



# San Diego City Attorney **CASEY GWINN**

## NEWS RELEASE

**FOR IMMEDIATE RELEASE: January 9, 2004**

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### **\$3 MILLION SETTLEMENT AGAINST GLOBAL COMMERCIAL REAL ESTATE COMPANY: CB RICHARD ELLIS *CITY ATTORNEY OBTAINS CASH SETTLEMENT***

**San Diego, CA:** Today, City Attorney Casey Gwinn obtained a \$3 million dollar cash settlement with CB Richard Ellis, the world's leading commercial real estate services firm. The settlement came hours after a San Diego Superior Court jury found CB Richard Ellis liable for overbilling the City of San Diego on downtown city-leased office space over ten years. Deputy City Attorney James Chapin prosecuted the five day trial in the courtroom of Superior Court Judge William Pate, where the jury was scheduled to begin the damages phase of the trial today at 1:00 p.m. Attorneys for CB Richard Ellis requested the opportunity to negotiate a settlement and a settlement was reached for a cash payment to the City of \$3 million. The actual out-of-pocket losses to the City were approximately \$1.6 million. CB Richard Ellis could have faced additional damages under a provision of the Government Code that protects public entities from erroneous billings.

The City Attorney filed the case after the City's Real Estate Assets Department identified billing discrepancies. The City Auditor and independent consultant Deloitte & Touche LLP confirmed the discrepancies and determined the total amount of the overbilling. The City is the anchor tenant in the Civic Center Plaza Building at 1200 Third Avenue and currently occupies about eighty percent of the office space, including providing offices for the staff of the San Diego City Attorney's Office. The lease commenced in 1993.

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